



**COLDWATER**  
Downtown Development Authority

# ***LOAN / REBATE PROGRAM GUIDELINES***

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## **I. PROGRAM STATEMENT**

The intent of the Downtown Development Authority low interest loan program is to strengthen the economic viability of downtown Coldwater by providing financial incentives for improving the appearance and structural conditions of its buildings.

Downtown Coldwater is unique to the economic health of the Coldwater community because its condition, whether perceived or actual, plays such a large part in the impression people have of the greater area. The downtown is the focal point of the community and its deterioration will create an image of a deteriorating economic base and a lack of pride on the part of its citizens. As a result, our citizens and community may develop an undeserved negative image of the community's economic health.

Also, it is estimated that downtown Coldwater annually contributes over one million dollars in tax revenues alone to the greater Coldwater area. Deterioration of this substantial financial input would have an additional undesirable impact upon the community.

The Downtown Development Authority is initiating and coordinating downtown activities in the area of organization, promotion, design, competitive management techniques, business recruitment and the effective use of vacant space. However, the ultimate success of downtown Coldwater is dependent upon the level of private sector commitment. It is up to the merchants, building owners, residents, professionals and investors to improve the mechanics of their business and the condition of their buildings.

It is important to the aesthetic enhancement of downtown that building design treatments be compatible with each other. The Downtown Development Authority and the State of Michigan feel that the most cost-effective means for enhancement is the preservation of a building's original architectural features. Surely, there is no other locale in the world that duplicates the combination of design features that we have here in downtown Coldwater.

Over the years, a number of downtown buildings have been architecturally altered in a manner that does not improve the appearance nor the image of downtown. In some cases, alteration is not consistent with the overall design of the structure itself. Such building treatments are in direct conflict with the need for a comprehensive, coordinated approach to improvements.

This program is intended to stimulate improvements to downtown buildings by providing an innovative financing mechanism. It presents an opportunity to preserve our community's heritage and to enhance and promote the unique atmosphere that the downtown can provide. Successful implementation will result in a stronger downtown Coldwater and a stronger community for the greater Coldwater area.

A majority of the building in downtown Coldwater are fifty years and older. These buildings contribute to the historic fabric of downtown Coldwater and are eligible for up to \$2,500 in exterior rebates. For those buildings less than fifty years old, they will be eligible for up to \$1,000 in exterior rebates.

There are a few businesses in downtown Coldwater that occupy more than one adjacent building. For purposes of this program, a rebate/loan will be approved one per business. If a property has been divided, has a separate address, utilities and business, one rebate/loan will be approved per business address.

## **II. PURPOSE OF LOAN/REBATE PROGRAM**

1. To directly stimulate design improvements to downtown buildings.
2. To stimulate building improvements in a coordinated fashion stressing overall downtown compatibility.
3. To stimulate building improvements according to the Downtown Development Authority's design guidelines that stress historical significance and the uniqueness of many downtown structures.
4. To indirectly stimulate building design improvements by establishing visible examples.
5. By the above, the program will strengthen the downtown in both image and structure, and will set the stage for further development.

## **III. DESCRIPTION OF LOAN PROGRAM**

1. Four of our local commercial lenders, Monarch Community Bank, National City Bank, and Southern Michigan Bank and Trust, have agreed to participate in a low-interest loan program to facilitate improvements to the interior and/or exteriors of downtown buildings.
2. Each institution has agreed to provide up to \$100,000 for implementation of the program. Each institution has agreed to look at each project on an individual basis and may increase maximum loan amount.
3. The interest rate applying to the financial institutions provision shall be each institutions base lending rate less than one percent (1%) floating.
4. As a result, the total Downtown Development Authority program amount will be \$400,000 at an interest rate significantly below that of the market rate.
5. The terms of each participant loan will be determined by the financial institution handling the particular loan. In no case shall the term exceed five (5) years.

## **IV. LOAN USE**

1. Loans provided by this program are to be used for exterior and interior rehabilitation to existing buildings within an area defined by the Downtown Development Authority.
2. All improvements are to be approved by the Downtown Development Authority Rebate Committee, in accordance with the Downtown Development Authority guidelines. Applicants who deviate from the approved application may be disqualified from the loan program.
3. Maximum loan amount is: Exterior improvements - \$15,000 per building. [see III. (2)]
  - a. Waivers of this limit can be requested in writing as an attachment to the preliminary loan application.
  - b. In the case(s) where a particular loan(s) would have an impact on the downtown significantly beyond that expected of program loans, the maximum loan amount may be increased subject to the approval of the Downtown Development Authority Rebate Committee and the Downtown Development Authority Director.
4. Building owners and tenants within the geographic boundaries stated in Section IV.1, are eligible to apply for participation in this program. Tenant applicants are required to submit written evidence of building owner approval of the application. Property taxes on the real estate must be current.
5. Examples of eligible and ineligible activities:
  - a. Eligible improvements include, but are not limited to:
 

<u>Exterior</u>	<u>Interior</u>
Lighting	Painting
Signs	Plumbing
Paint	Electrical Work
Cleaning	Structural Alterations
Energy Conservation	Wallpaper
Awnings	Carpet
Labor	Drapes
Material	Stationary Fixtures
Entrances	Window Repair
Masonry Work/Sidewalks	Design Assistance
  - b. Ineligible improvements include, but are not limited to:

Exterior  
Inappropriate Cleaning Methods

Interior  
Appliances  
Methods  
Furniture

Inventory  
Display Fixtures (unless  
attached to walls)

c. Roof

## V. LOAN POLICY

In addition to the Downtown Development Authority Design Guidelines, the Downtown Development Authority Rebate Committee shall consider the following guidelines when reviewing and acting on program applications.

1. Program Impact:

a. The loan program boundaries include a substantial number of buildings and it is recognized that improvements to one structure may not have as great an impact on the downtown as improvements to another.

Since the total program dollar amount is limited, it is the intent of the Downtown Development Authority to provide the downtown with the greatest impact possible. Therefore, the Downtown Development Authority Rebate Committee reserves the right to deny or amend an application based upon the reservation of funds for potential projects that would have, in the Committee's evaluation, the greatest impact to downtown Coldwater.

b. The Downtown Development Authority Rebate Committee reserves the right to reject any application for a building which, in the Committee's evaluation, is in such a state of deterioration that the proposed loan could not be recovered during its term, or the proposed investment is at best a stop-gap measure against imminent demolition.

2. In no event shall the Downtown Development Authority Rebate Committee, or any financial institution involved in this program use race, sex, age, or religion as grounds for refusing a loan to an eligible applicant.

## VI. REBATE PROGRAM

1. Applicant must adhere to rebate requirements when considering painting of building which includes power washing and approved 3-color paint scheme. No work can proceed prior to DDA approval.

Exterior

Lighting	Signs
Paint	Cleaning
Structural Alterations	Awnings
Entrances	Masonry Work/Sidewalks
Labor	

2. Amount of Rebates:

Exterior - 25% up to maximum rebate of \$2,500  
(for properties less than 50 years of age –25% up to maximum rebate of \$1,000)

Architectural Drawings – 10% of cost up to \$500

Fire Alarm/suppression – 1/3 of cost up to \$1,500

Upper Story Renovation - 25% up to maximum rebate of \$2,500

3. DDA has hired a design consultant at no cost to property owner to advise on color schemes and other exterior design alternatives.
4. Upon approval of application of rebate, the DDA Director will notify applicant of approval to proceed.
5. Prior to any rebate payment to owner, when project is completed, owner must submit paid receipts and receive approval of project being completed by DDA Director. Request for payment will be submitted on behalf of the owner to the Rebate Committee. Approval by the Rebate Committee and DDA Board must be received prior to any payment being made.

## **VII. PROGRAM IMPLEMENTATION**

1. Marketing: The Downtown Development Authority will conduct a comprehensive effort to alert and educate building owners, tenants and the community as to the availability and benefits of the program.
2. Application process for loan/rebate program:
  - a. Applications for the program will be available through, and accepted by, the Downtown Development Authority office.
  - b. The application form will contain all items necessary for the Downtown Development Authority consideration.

- c. The Downtown Development Authority Rebate Committee will meet, as necessary, to review applications unless determined otherwise by the Committee.
- d. The Downtown Development Authority Rebate Committee will review the application and either approve or reject it.

*For Loan Program*

- e. If approved, the Downtown Development Authority will forward the application to the participating financial institution of the applicant's choosing.
  - f. If rejected, the Downtown Development Authority Rebate Committee will explain, by letter to the applicant, the reasons for rejection and what, if any, steps can be taken to receive approval.
  - g. The reviewing financial institution will approve or reject the application according to its established credit practices.
  - h. If the application is rejected by the reviewing financial institution, the applicant has the option of applying to any of the remaining participating financial institutions. Applicants must only submit to one lending institution at a time.
  - i. Each applicant will have 30 days from the date of the Downtown Development Authority Rebate Committee approval to receive approval by a participating financial institution. This time limit may be extended by the Downtown Development Authority Rebate Committee upon the request of an applicant experiencing, according to the Committee's evaluation, special circumstances.
  - j. Loan monies will be distributed to the applicant on an as needed basis. Such need will be determined by the participating financial institution.
3. Post application procedure:
- a. The Downtown Development Authority Director shall be responsible for assuring that any work done on an approved project is consistent with the application and design, as approved.
  - b. Any changes in work verification must be approved by the Downtown Development Authority office. The Downtown Development Authority Rebate Committee shall have the authority to approve or reject such changes.
  - c. All approved changes in work verifications shall be attached to the

original application in the form of an addendum, dated and signed by the Downtown Development Authority Director.

- d. The Downtown Development Authority office will conduct periodic inspections to ensure compliance with technical specifications.
- e. Deviations from an approved plan may disqualify the applicant from this loan program. Such deviations may cause one or both of the following:
  - 1. The total loan being subject to market interest rates;
  - 2. Remaining disbursements to be ceased.

## **VII. PROGRAM AMENDMENTS**

The details of the Downtown Development Authority Loan Program may be amended subject to the formal approval of the Downtown Development Authority Rebate Committee members and each of the participating financial institutions.

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## **SUMMARY SHEET: DOWNTOWN DEVELOPMENT AUTHORITY LOAN PROGRAM**

The Downtown Development Authority and four downtown commercial lenders: Monarch Community Bank, Century Bank & Trust, First of America, and Southern Michigan Bank and Trust are participating in this facade and interior improvement loan program which is intended to stimulate improvements of downtown commercial buildings.

### Who is Eligible?

Owners and/or tenants of existing buildings within the Downtown Development Authority target area. One exception follows: All participants receiving rebates through the rebate program shall not be in arrears with the City of Coldwater or Branch County for real or personal property taxes for the building or business for which the rebate has been applied.

### Total Program Amount:

\$400,000

### Maximum Loan Amounts:

\$15,000 per building (waivers of this maximum amount can be requested at time of application).

### Loan Interest Rates:

The rate is based upon each institution's base lending rate less than one percent (1%) floating.

### Loan Term:

The term for each loan will be determined by the financial institution handling the particular loan, but will not exceed five (5) years.

### Procedures:

- Applications are available from the Downtown Development Authority office.
- The Downtown Development Authority Rebate Committee will review the application to be sure the project is in accordance with the Downtown Development Authority Coldwater Design guidelines and the intent of the loan.
- Following its approval, the Downtown Development Authority Rebate committee will forward the application to the participating financial institution of the applicant's choosing for financial approval.